# COLLABORATIVE PUBLIC AGENCIES IN THE NETWORK ERA

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This chapter is an attempt to account for how public agencies are "catching up" in the policy and management portfolio as they face the challenges of engaging with a host of nongovernmental organizations (NGOs) in various forms of networked activities. *NGO* refers to U.S. and international nonprofit and for-profit organizations that are not enabled by some government entity. This movement has made public agencies more conductive; that is, they work with a series of interlocutors, along with performing their more traditional planning, staffing, financing, and regulating functions. Rather than hollowing out or somehow abdicating its functions to NGOs, government can be seen as changing by rapid externalization. These changes predominantly involve linkage, partnering, and networking activities with NGOs, and emergent forms of collaborative leadership.

Over the twentieth century, governments in many countries, including the United States, shifted from entities that primarily offered direct services (e.g., postal, welfare, state institutions, fire, police, universities) to entities that initially added grants to other governments and private organizations, then included regulation of other governments, along with loans and loan guarantees, fees and charges, cash payments, vouchers, and purchase-of-services contracting with NGOs. Now governments are adding joint ventures, that is, programming in partnership with NGOs (Agranoff 2008). As a result, the managerial dramas of federalism, intergovernmental relations, and intergovernmental management are now being played out in terms of collaboration and networks (see chapter 18, "Historic Relevance Confronting Contemporary Obsolescence?" in this volume), new forms of governance. As Kooiman (2004, 3) indicates, "Governance of and in modern societies is a mix of all kinds of governing efforts by all manner of sociopolitical actors, public as well as private; occurring between them at different levels, in different governance modes and orders." While this diffusion over various actors is constantly changing, it is moving toward a system where government increasingly is a facilitator and cooperating partner. "As such, it is more appropriate to speak of shifting rather than shrinking roles of the state" (3).

Transacting among these various mechanisms involves interactive processes (Agranoff and McGuire 2003) and employment of various "tools" of governance. According to Salamon (2002, 14–15), the latter involves reducing the division between the public and private spheres, looking for management models other than command and control, and rejecting the idea that these tools are self-administering. They require aggressive management. It is these concerns that are addressed here. How is contemporary public management organized to manage across sectors? How does one manage within networks involving the legitimacy and authority of the state and its NGO partner executants?

The chapter begins with a definition of the conductive public agency, today's networking bu-

reaucracy. That is followed by a demonstration of what these collaborating public agencies look like in practice, through a set of hypothetical but demonstrative examples, as the relationship between these agencies and their partners are explored. The chapter next looks at a real-world example of a postmodern completely networked public organization, an experimental science and mathematics school in Columbus, Ohio: Metro High School. Then, after looking at Metro and the other conductive agencies, some emergent features of collaborative organizing that differ from standard management practices are demonstrated. The last substantive section of the chapter presents eleven leadership, organizing, and management challenges in the era of networking-oriented collaborative management. The concluding observations offer extant challenges of cross-sector management.

## THE CONDUCTIVE ORGANIZATION

Today's bureaucracies at all levels and types appear less like those organizations in the days of the emerging bureaucratic organization, what was once known as Weberian, Taylorist, or mass-production-like Fordist. Within, organizational structures have become more flexible and permeable over the twentieth century (Clegg 1990, 181). This has two important implications for public management in the network era. First, public administrators and program specialists who work in public agencies are more attuned to internal organizational experiences that are less rigid, cross divisional boundaries of their own structures, reach out to other agencies of their government, and involve an increasing number of cross-sector and intergovernmental experiences. Second, this exposure and experience, with a changing hierarchical paradigm, has brought on certain levels of comfort with those emergent cross-boundary transactions.

The postbureaucratic, open-boundaried flexible understanding of organizing is considered to be beyond twentieth-century organizing. The latter refers to observers like Max Weber (1946) who defined bureaucracy in his classic essay, written in the early twentieth century, as a hallmark of modernism, as opposed to charismatic and traditional models. These models, as is well-known, stress the importance of hierarchy, rules, divided tasks, specified procedures, and the like. On the contrary, as Figure 17.1 illustrates, Clegg (1990, 11) leads with the idea that he calls *postmodern organizing,* which involves structuring more generalized or de-differentiated tasks. Yet there is much more; it involves opening the boundaries of organizations, with a problem rather than rule-based orientation, and with a methodological focus on what people do, how they discover ideas, and how they adapt to different practices from elsewhere. To Clegg, this is post-Weberism, where models of organizing are understood without orthodoxy and are likely to present a variety of approaches, without previous forms of standardization or "one best way." The organization is not a machine but an adaptive entity capable of being captured rhetorically, symbolically, or both.

Public agencies and organizations need postmodern tools as they increasingly operate "outside," often with a similar extent of effort as they use "inside," as they connectively engage other organizations or representatives of other organizations. This phenomenon has been captured by a number of observers, most cogently by Saint-Onge and Armstrong (2004) in *The Conductive Organization,* where the importance of partnerships is at the core: "The capability to effectively manage complex partnerships is growing in importance as organizations are reconfigured. Organizations are becoming more and more involved in complex value-creation networks, where the boundaries between one organization and another become blurred and functions are integrated. Being able to create and leverage participation in network-designed and -delivered solutions is becoming a critical organizational and leadership capability. Trust fosters this commitment and cements the network partnership. By forming value-creation networks focused on fulfilling customer requirements, true customer calibration can be accomplished" (26).

Figure 17.1   **Clegg's Tenets of Modern/Postmodern Organization and Management**

| Modern Organizing | Postmodern Organizing |
|---|---|
| Differentiation of tasks | De-differentiation |
| Individual skill sets/tasks | Teams of quasi specialists/generalists |
| Boundaried organizations | Boundaryless organizing |
| Structured hierarchies | Open, networked organizing |
| Rules of operation | Problem-solving procedures |
| Meta-narratives, e.g., contingency determination by size, transactions costs | What agents actually do in accomplishing constitutive work |
| Rules of managing, e.g., span of control | Understanding what is being managed |
| People at the top/managers know best | People and agencies in and around organizations also know what is in their interests |
| Policies and procedures manuals | Engagement in actions based on practical interest |
| Culturally constrained adaptation of management practices | Adaptation of practices from other cultures |

*Source:* Adapted from Clegg 1990, 10–13.

Obviously pitched to business, public agencies have become increasingly conductive as well through such partnerships. Saint-Onge and Armstrong (2004) define the conductive organization as "an organization that continuously generates and renews capabilities to achieve breakthrough performance by enhancing the quality and the flow of knowledge and by calibrating its strategy, culture, structure and systems to the needs of its customers and the marketplace" (179).

To Saint-Onge and Armstrong, the conductive organization operates through a balanced organizational structure, working both horizontally and vertically. It has a cohesive culture, systems, structures, and strategies that support a constructive leadership context. It seeks high-quality internal and external relationships, feeding the creation, management, and use of knowledge. Its capabilities are enhanced as an inherent part of resolving issues and meeting challenges (2004, 16). Leadership is key in the conductive organization:

> Leaders articulate the common objectives and values to which the network commits and around which it can coalesce. Control must be replaced by empowerment through self-initiation, with the network members being given the freedom to find the most appropriate route to achieve project goals.
>
> The network will be held accountable for delivering its objectives. Leadership's responsibility is to ensure that systems and structures are in place that enable the members of the network to collaborate, learn, share knowledge, and execute their responsibilities. The network's output is the generation of capabilities. (191)

Thus, in cross-organizational endeavors, leaders are key, particularly "champions," who sustain organizational commitment, and "alliance managers," who enable people to work together efficiently and role model trust and collaboration (Holbeche 2005, 179). Leaders, then, are responsible for generation of capacities, promoting the flow of knowledge within the organization and with the organization and other entities, synchronization of the key collaborating organizations, examining mutual capabilities, and calibrating internal organizing structures to external needs.

In this chapter the aim is to reach deeper into how public agency structure and process are changing as a result of increasing conductivity. The conductive public agency represents a new generative metaphor that helps us to understand the permeable bureaucracy in the sense that Schön (1979) calls for means of capturing emergent thought and action.
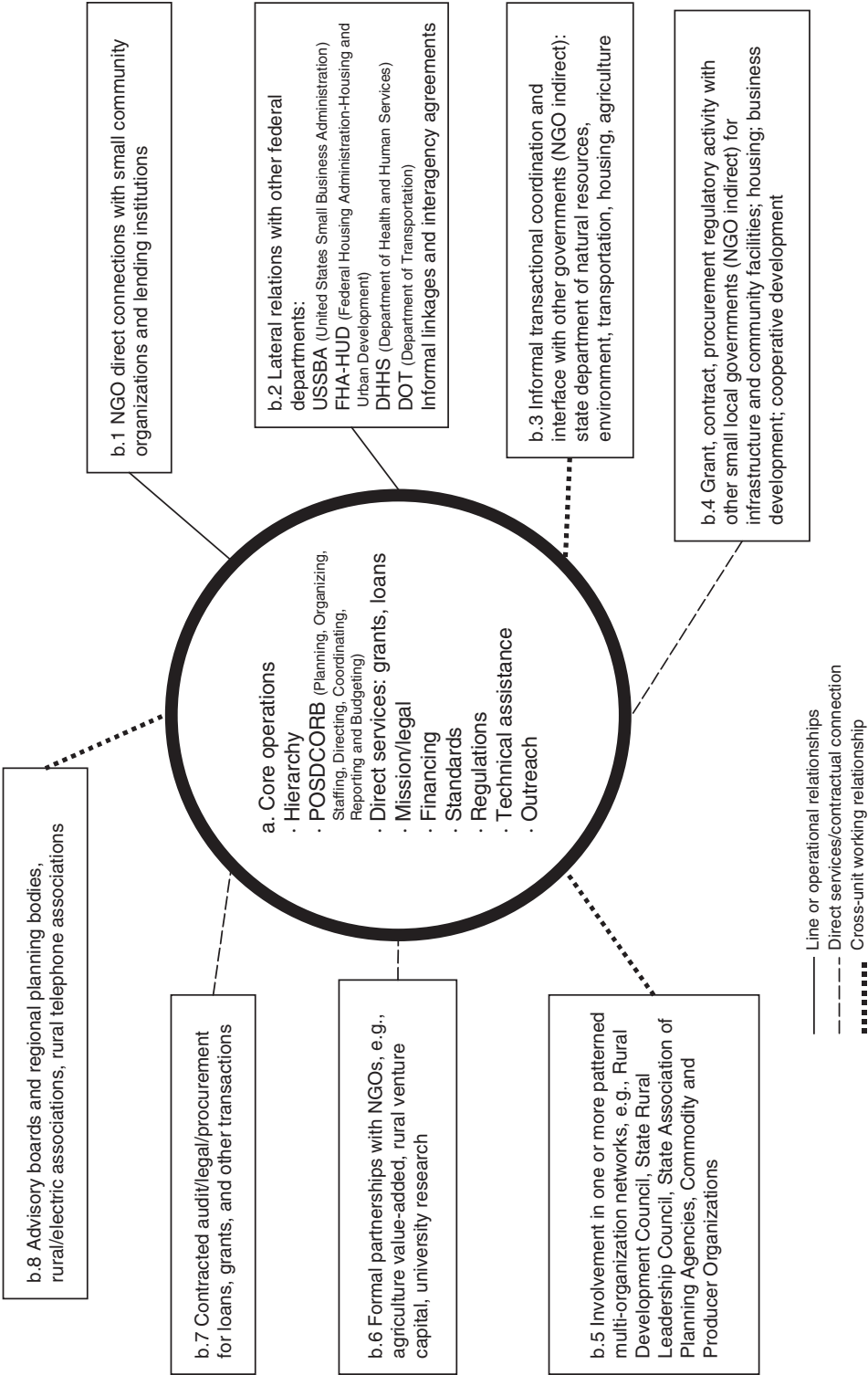
## THE CONDUCTIVE PUBLIC AGENCY

The "state" is externalizing rather than emptying out. Indiana state government, one of the more notable examples of employing the NGO sector, retains a notable state presence. One of its smallest departments, Administration, employs more than two hundred people to oversee state purchasing, the state vehicle and aviation fleet, real estate transactions, and the Government Center campus in downtown Indianapolis. The state's largest agency, Family and Social Services Administration, is highly externalized but nevertheless employs more than forty-eight hundred staff, who do everything from basic service eligibility to quality and standards control, service contract management and program oversight, information and evaluation, and policy analysis. In order to understand how public administrative work has become outside as well as inside, two hypothetical diagrams of conductive agencies are considered, one that continues to deliver its services through its hierarchy but nevertheless engages in a set of linkages that support its core mission, the other that primarily externalizes its direct services essentially by contracting. Each demonstrates how public organizations engage in numerous external transactions.

The agency depicted in Figure 17.2 is in appearance like many other federal, state, or local agencies. It models the U.S. Department of Agriculture/Rural Development, which provides grant, loan, technical assistance, and other programs through its state offices, with most of its loan services offered in direct service delivery, but in partnership with other NGOs, and with leading institutions (banks, savings and loans) plus state and local governments. (For ease of identification it is called USDA/RD Office in this chapter.) At the state level, it could also represent a welfare department, where the core eligibility, case management, and income payments functions continue to operate on a direct services basis, in-house with state employees, but a host of support programs and training, child care, health care, and food stamps operate on more of an external basis. At the local level, the figure could resemble a department of planning, building, or economic development, where permitting and inspections operate inside but most of the development functions are external in some NGO or other department.

As shown in the diagram (from the twelve o'clock position), (b1) the USDA/RD Office involves contractual relations with a series of NGOs, for example, banks and supply cooperatives; (b2) the department regularly consults with a small number of allied federal departments, that is, the Department of Housing and Urban Development, the Department of Health and Human Services, and this includes some formal interagency agreements; (b3) the agency is also in coordination with other (for example, state and local) governments, and through these other governments with NGOs; (b4) it has grant, regulatory contract, procurement, and related legally defined connections with recipient small local governments (and indirectly with NGOs); (b5) it is also involved in one or more chartered or noncharted agriculture product development and value-added networks, including some that are legally established (e.g., economic development council); (b6) it engages in formal partnerships with a series of NGOs; (b7) it contracts for audit and other support services; and (b8) the agency also engages in other external relations with state rural development advisory boards, and has formal contacts with the rural trade associations in the state. This is not an unusual situation, as the typical state USDA/RD Office is heavily engaged outside of its internal grant and loan bureaucratic boundaries and procedures, connecting with the major state and local

Figure 17.2  **A Moderately Conductive Public Agency: United States Department of Agriculture/Rural Development (USDA/RD) Office**



a. Core operations
· Hierarchy
· POSDCORB (Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting)
· Direct services: grants, loans
· Mission/legal
· Financing
· Standards
· Regulations
· Technical assistance
· Outreach

b.1 NGO direct connections with small community organizations and lending institutions

b.2 Lateral relations with other federal departments:
USSBA (United States Small Business Administration)
FHA-HUD (Federal Housing Administration-Housing and Urban Development)
DHHS (Department of Health and Human Services)
DOT (Department of Transportation)
Informal linkages and interagency agreements

b.3 Informal transactional coordination and interface with other governments (NGO indirect): state department of natural resources, environment, transportation, housing, agriculture

b.4 Grant, contract, procurement regulatory activity with other small local governments (NGO indirect) for infrastructure and community facilities; housing; business development; cooperative development

b.5 Involvement in one or more patterned multi-organization networks, e.g., Rural Development Council, State Rural Leadership Council, State Association of Planning Agencies, Commodity and Producer Organizations

b.6 Formal partnerships with NGOs, e.g., agriculture value-added, rural venture capital, university research

b.7 Contracted audit/legal/procurement for loans, grants, and other transactions

b.8 Advisory boards and regional planning bodies, rural/electric associations, rural telephone associations

———— Line or operational relationships
– – – – Direct services/contractual connection
▪▪▪▪▪▪▪ Cross-unit working relationship

rural players. All of this makes the USDA/RD Office an example of one agency that continues to deliver its core services internally while remaining highly involved externally.

Those public agencies that externalize all or mostly all of their core services are exponentially conductive. The example in Figure 17.3 is hypothetical but targets particular human services functions, aging, intellectual and developmental disabilities (ID/DD), and vocational rehabilitation services, where all direct services functions are delivered externally, mostly through purchase-of-services contracting. Again, for ease of identification the agency is called State Human Services.

First, within the core operations (a) there is a line called "program units," from which four programs operate: Program a.1 (aging) offers federally financed grants in the form of contracts to thirteen area agencies on aging (nine nonprofit NGOs, two in city government, and two in regional planning agencies) that do planning and organizing of services that are purchased by the agencies on aging from hundreds of food, nursing, activity, transportation, and other vendors, some of whom further subcontract. Program a.2 (rehabilitation) operates with some fifty-five state employee counselors/case managers who in turn contract federal- and state-funded direct services in habilitation, medical, training, counseling, and education from various NGO vendors. Program a.3 (residential) is for persons who need complete residential services, for example, nonprofit or for-profit nursing homes (this state operates no state intellectual disabilities/developmental disabilities institutions, having closed the last one in 2006), mostly funded by federal and state Medicaid. Program a.4 (noninstitutional ID/DD services) is federally and state funded through a single for-profit case-management contract and then by purchased services from some eighty-three dispersed (for-profit or nonprofit) rehabilitation centers, which in turn subcontract certain day, medical, dental, and support services. Note that only the externalized direct services picture has been portrayed to this point.
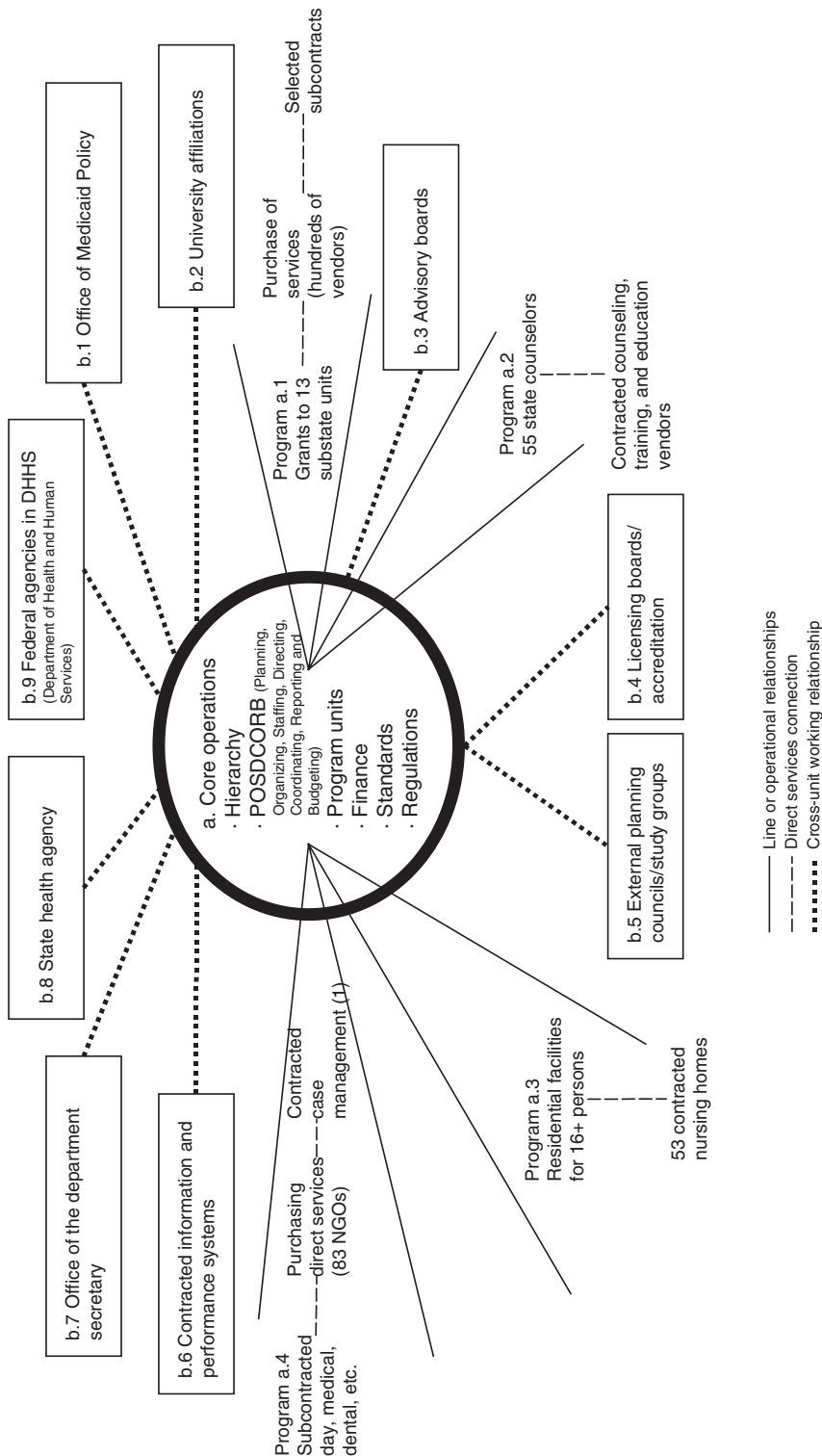
From the twelve o'clock position in Figure 17.3, at b.1 is the important State Human Services Medicaid Policy Office, which oversees standards, payments, performance indicators, and the like; at b.2 are university research, demonstration, and training affiliations; at b.3 is a series of program external advisory boards; at b.4 are quasi-state (comprised of state employees and external experts) licensing boards and regional and national accreditation bodies; at b.5 are state (federally funded) planning councils and study groups; at b.6 are contracted and client information firms, those that engage in client costing and other information services; at b.7 is the office of the departmental secretary; at b.8 is the state health board, responsible for facility inspection, standards, and enforcing Medicaid-based client rights (e.g., neglect and abuse); and at b.9 are the federal government offices in the U.S. Department of Health and Human Services (e.g., Office of Aging, Centers for Medicaid/Medicare, Rehabilitation Services Administration). All of these contacts for both externalized direct services and all of the other contacts make State Human Services highly conductive in the postmodern sense.

These extensive external connections, one would say bureaucracy in the era of governance, are not unusual for an increasing number of public agencies. Some would argue that to have external relations is not really new, and that is true. The concept of "boundary spanning" (Thompson 1967) and interorganizational relations (Galbraith 1977) reaches back for decades. That is not the point. It is now not only the existence of linkages but the degree and intensity of such conductivity that is relevant. It is the interactive demands to manage together that make contemporary operations challenging and requires management to take new approaches.

**Leading-Edge Organizing: Metro's Network Structure**

Innovative collaborative-based organizing can be better illustrated by focus on a networked public agency, a real-world science and math high school that appears to have eschewed the lines and

Figure 17.3  **A Highly Conductive Public Agency: State Human Services**

a. Core operations
· Hierarchy
· POSDCORB (Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting)
· Program units
· Finance
· Standards
· Regulations

b.1 Office of Medicaid Policy

b.2 University affiliations

Purchase of services (hundreds of vendors) — — — Selected subcontracts

b.3 Advisory boards

Program a.1 Grants to 13 substate units

Program a.2 55 state counselors — — — Contracted counseling, training, and education vendors

b.9 Federal agencies in DHHS (Department of Health and Human Services)

b.8 State health agency

b.7 Office of the department secretary

b.6 Contracted information and performance systems

b.4 Licensing boards/ accreditation

b.5 External planning councils/study groups

Program a.4 Subcontracted day, medical, dental, etc. — — — Purchasing direct services (83 NGOs) — — Contracted case management (1)

Program a.3 Residential facilities for 16+ persons — — — 53 contracted nursing homes

——— Line or operational relationships
– – – Direct services connection
········ Cross-unit working relationship

boxes of hierarchy. It is a quintessentially conductive agency that reveals many of the key emergent features of public agency management across boundaries.

Metro High School, in Columbus, Ohio, is an accelerated science, technology, engineering, and math (STEM) undertaking that is uniquely operated by a set of public and private agencies. In this case it extends the USDA/RD and State Human Services models by externalizing all but the traditional core classroom operations, supported by highly conductive learning models. Metro's major learning partners include the Educational Council (superintendents of sixteen of Franklin County's school districts), Ohio State University (OSU), national and state Coalitions for Essential Schools (CES), that is, Knowledge Works in Ohio, and Battelle Corporation, a research and development private sector organization. In addition, other nonpartners are involved: learning sites where students experience internships, projects, field placements, and classes; the PAST Foundation, which organizes research, field learning, and dissemination of STEM learning to the sixteen school districts; nonacademic contractual arrangements with OSU for library and student counseling; OSU volunteer leadership and educational resources; and other community resources such as industry/educator curricula task forces.

Metro's governance is a multifaceted combination, including Educational Council (EC) policy agreement, advice by a steering group, Metropolitan Partnership Group (MPG), and and is administered by the Metro school administration (which is very flat in organization) and the EC staff. The school admits about one hundred students for each class, by interview and lottery; students are ratioed and then apportioned by school population among the sixteen districts. The school operates on an accelerated basis and by subject mastery. Students must master the eighteen subject-related credits required for Ohio high school graduation, normally in their first two years, after which they attend classes at OSU for credit. In addition to the network that undergirds the operation of the school, a community of students, teachers, and parents is involved in many aspects of the school experience (Hunter et al. 2008).

The Metro structure depicted in Figure 17.4 does not look anything like a traditional hierarchy. It is represented by lines and a circle to indicate networked inputs, which are represented by the boxes with organizations that conductively operate Metro. It is actually less complicated than it appears at first look. Legally, Metro is not a school, but an entity that is officially a project of the EC, which is its official governing body. The EC ratifies official decisions normally worked out by the interagency Metropolitan Partnership Group, which explores options and strategies and ultimately formulation of policies and holds the entity together. It is the most involved with school oversight as well, except for fiscal and budget matters, which are handled by the EC executive director and staff.

As shown in Figure 17.4, there is close interaction with the sixteen school districts, the responsible entities for enforcing Ohio high school graduation requirements and career counseling for the Metro students they send. Then there is the consultation/coaching work of Knowledge Works, a commitment of more than $1.1 million during the first four years of the school's existence. OSU also provides Metro with more than $1 million per year in space contributions, and three colleges allocate nearly $1 million each to support up to ten graduate students who are assigned to Metro. The other major partner, Battelle, a large research laboratory, provides seed money, is a major learning partner for STEM, and provides major field learning sites. In addition, there are contractual agreements with OSU for student psychological counseling and for library use. The PAST Foundation plays an important role in transmitting STEM and small school learning to the school districts, and has worked with a research team sponsored by the Battelle Center for Science and Math Education at OSU. Then there are the learning centers, where students apply their knowledge and build mastery portfolios that lead to credit. Also supporting the school's work

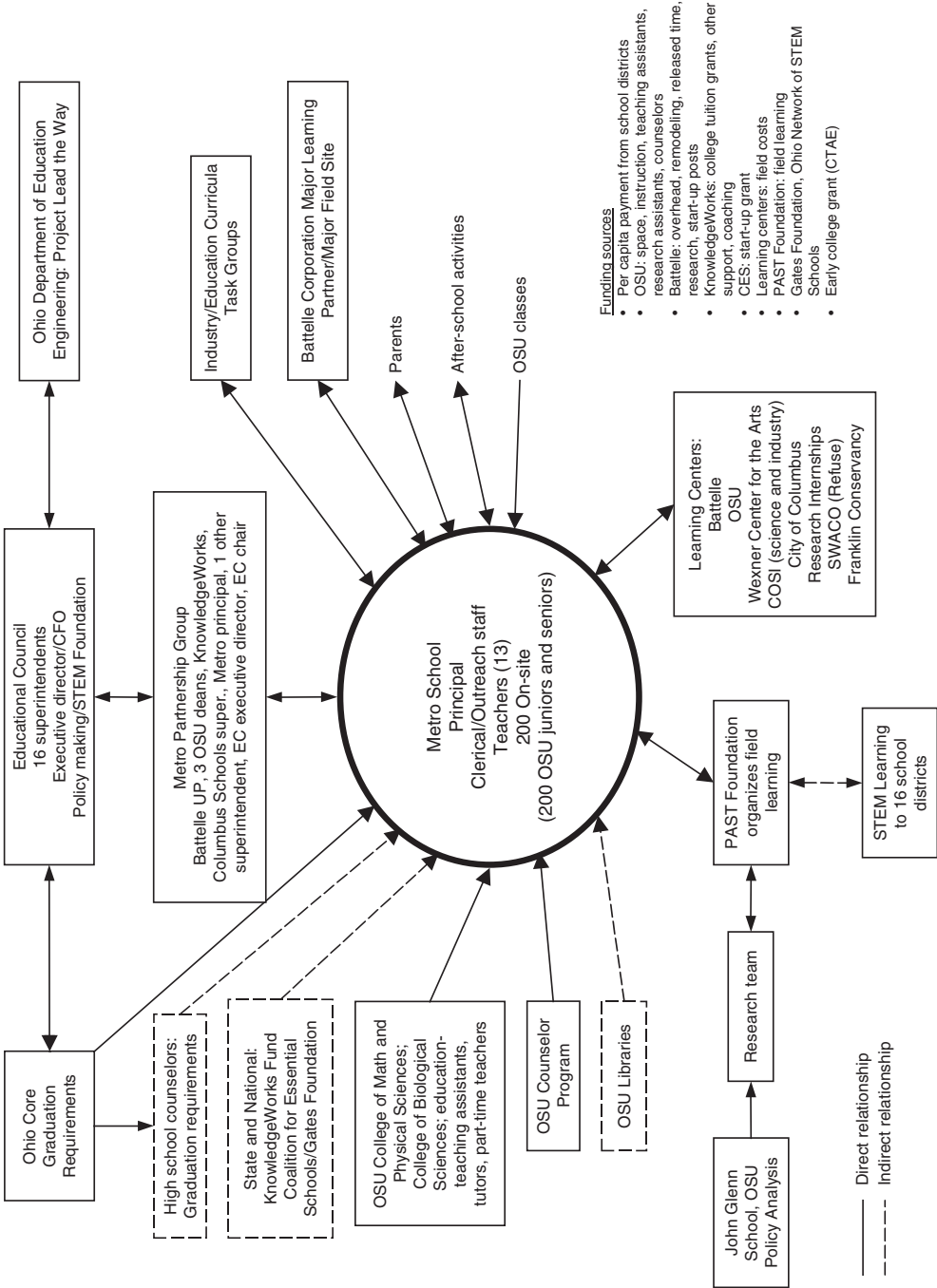Figure 17.4 **Metro—Super-Conductive Public Program**



Ohio Department of Education
Engineering: Project Lead the Way

Industry/Education Curricula
Task Groups

Battelle Corporation Major Learning
Partner/Major Field Site

Parents

After-school activities

OSU classes

Educational Council
16 superintendents
Executive director/CFO
Policy making/STEM Foundation

Metro Partnership Group
Battelle UP, 3 OSU deans, KnowledgeWorks,
Columbus Schools super., Metro principal, 1 other
superintendent, EC executive director, EC chair

Metro School
Principal
Clerical/Outreach staff
Teachers (13)
200 On-site
(200 OSU juniors and seniors)

Learning Centers:
Battelle
OSU
Wexner Center for the Arts
COSI (science and industry)
City of Columbus
Research Internships
SWACO (Refuse)
Franklin Conservancy

Ohio Core
Graduation
Requirements

High school counselors:
Graduation requirements

State and National:
KnowledgeWorks Fund
Coalition for Essential
Schools/Gates Foundation

OSU College of Math and
Physical Sciences;
College of Biological
Sciences; education-
teaching assistants,
tutors, part-time teachers

OSU Counselor
Program

OSU Libraries

PAST Foundation
organizes field
learning

STEM Learning
to 16 school
districts

Research team

John Glenn
School, OSU
Policy Analysis

Funding sources
• Per capita payment from school districts
• OSU: space, instruction, teaching assistants,
  research assistants, counselors
• Battelle: overhead, remodeling, released time,
  research, start-up posts
• KnowledgeWorks: college tuition grants, other
  support, coaching
• CES: start-up grant
• Learning centers: field costs
• PAST Foundation: field learning
• Gates Foundation, Ohio Network of STEM
  Schools
• Early college grant (CTAE)

——— Direct relationship
- - - - Indirect relationship

Figure 17.5    **Eight Emergent Organizational Features of Metro**

1. A conductive, open boundaries entity
2. Substantial investments in maintaining connectivity
3. Continuous feedback and redirection
4. Interpartner articulation of important processes
5. Lateral links into policy making from a variety of stakeholders
6. Decision making by consensus that floats into process and ultimately upward
7. Enlistment of real and in-kind financial and learning resources from multiple sources
8. Adaptable, nonhierarchical structure

are OSU classes, after-school activities (journalism, engineering clubs), parent involvement, and a series of industry/educator curricular task forces.

The eight features that distinguish Metro as a different kind of public organization are identified in Figure 17.5. First and foremost, it is a conductive organization. A STEM school like Metro does not have to be organized as a network; it could be a charter school, a special unit of local government, or some other special unit carved out as a school district. It adapted into the network model because it needed open boundaries to build working relationships and to access multiple learning resources and sites. The founders clearly wanted to be independent of any single school district, and they did not want to create a new school district, with an accompanying hierarchy and bureaucracy. They wanted to maximize organizational flexibility. However cumbersome in appearance, this particular structure was reported as suited to Metro's founders' needs for high connectivity.

Second, it is an entity that invests heavily in human and material resources that maintain these connections, including key personnel to maintain collaborative, curricular, and learning-site linkages. For example, one Battelle professional is assigned to the school for linking in scientific learning experiences at Battelle laboratories and other sites. A professional education administrator is involved in school and curricular liaison with the state education agency, the sixteen school districts, and mixed-source curricular task forces. Part of this connectivity also involves infrastructure maintenance through continuing partner dedication of key resources, for example, space, equipment, access to programs, and the like. But there is more. One would also have to point to heavy involvement of students and parents in developing the learning culture of the school, the outreach to the real world through student projects, and the attempt to "export" STEM learning to the sixteen school districts as connective endeavors.

Third, Metro's structure is designed for continuous feedback regarding its organizing, operations, achievements, and culture. Input is regularly provided laterally by key partner representatives, learning-site coordinators, consultants, and coaches, as well as from administrators, teachers, students, and parents. One very important operational example is the building of curricula by task groups that include experienced teachers, university professors, representatives of industry and government, and others. Learning modules are under constant revision, staying as close to the state of the art as possible.

Fourth, resource links are reinforced by participants who have learned that the "devil can be in the details." Issues such as mastery portfolios, pedagogical methods, learning milestones, and individual student pacing are articulated by Metro, learning sites, and the school districts. While these, among other issues, bring heavy transaction costs across organizations, they are conductive maintenance costs that must be borne. These details require routine interorganizational contact—way beyond the old "coordination" at the point of service.

Fifth, operating and support personnel—teachers, learning-site coordinators, parents, support-

ing associations, curricular task force members—all play a role in the development of operating policies and procedures. Together, they are attempting to find their way into a STEM education that will fit into Metro's mastery model and that is potentially exportable. Developmental work leads to the creation of operating knowledge, which then finds its way to the administration and ultimately to the governance bodies. It is the process of collaborative exploration that leads to knowledge development, which is neither top-down nor bottom-up—but sideways or in all directions. After creation, this operating knowledge works its way invariably into the administrative and governance structures rather than waiting for some form of hierarchical approval.

Sixth, more essential than a hierarchical structure are the partnership affiliations, in this case for STEM education, by learning sites and the support of industry representatives. This structurally requires flexibility that allows for rapid input of information, knowledge, and resource potential, and the ability to make or defer decisions "on the fly." Moreover, it is a decision style that follows a partnership-oriented mode, by consensus. Rather than adopting a long-range plan or plans, as issues arise they are approached on an individual basis, and agreements are reached and rapidly implemented.

Seventh, resources—financial support and learning—real dollars, organizational dollar commitments, and in-kind contributions are found wherever they may lie. Metro does not have a single budget handed down from a higher authority or from the sixteen districts collectively. It is not even clear that it has a budget in the traditional public management sense. A per capita dollar flow roughly equivalent to the annualized state aid formula is agreed upon by the EC, but this amount is generally between 20 and 25 percent of Metro's costs. The remainder is from grants, donations, and in-kind contributions. Other funding sources come and go, as do learning sites and project opportunities in the community. Resource issues are then forced to be "collaboratively fungible." Financing is a problem-oriented "pay as you go and as you can" challenge. The summary in the lower right of Figure 17.4 lists major 2006–8 multiple resource support.

Eighth, and finally, not only is the structure nonhierarchical, but it was built to suit the challenges as they were faced and to accommodate the collaborative nature of the undertaking. It is designed to promote partnering mind-sets and instill trust and a will to collaborate, as Saint-Onge and Armstrong (2004, 16) maintain. The structure, with the exception of a formal (EC) and informal (Metropolitan Partnership Group) governance structure, is more accurately illustrated in the Figure 17.4 depiction of partner, learning resource, and support relationships than in a hierarchically oriented table of organization.

It is therefore difficult to label or identify Metro as an organization in the standard, hierarchical sense. It is an organized undertaking that has unusual public agency standing. Metro was initially made possible by the dedicated energies of key champions and of community leaders. As the school broadens its operations, layers of area teachers, learning-site representatives, and support personnel from OSU expand the network beyond its original and core alliance partners. Metro stands as an example of postbureaucratic organizing by network.

## Emergent Conductive Organization Features

An entity like Metro is one alternative to a single-organization hierarchy, even those that have opened up, like the USDA/RD Office and State Human Services. Unlike a true hierarchy, Metro includes a multiagency governing body (EC) and a governance and advisory structure (Metro Partnership Group and administrators); it is not *divisionalized* or specialized. The network is structured by overlays of students, parents, teachers, administrators, learning-site representatives, and learning partners. Instead of command and control, Metro as a network features consensus-

based decision models. Its participants experience role differentiation in an overlapping fashion but operate with a fluid participatory agreement-seeking orientation. Authority is in many places. In the case of the two hypothetical examples identified in Figures 17.2 and 17.3, one sees hierarchies moving in this direction. In particular, the highly externalized structure in State Human Services is coming to resemble Metro in many important aspects. Organizationally, "boundaries" are opening up to systems of comanagement at both the operating policy and services delivery levels. Theoretically, this makes conductive agencies very different from standard hierarchies. An additional series of features, beyond the conductive USDA/RD Office, State Human Services, and Metro characteristics already identified, appear to be hallmarks of conductive organizing as they appear to be emerging in similar organizing situations.

Like Metro, many conductive organizations will be nonhierarchical to one degree or another, with networklike highly *flexible collaborarchies.* A study (Agranoff 2007) of fourteen networks defined them as self-managed bodies of officials who employ self-imposed rules that use consensus to develop collaborative capacity (Bardach 1998), instigating exchanges and developing cooperative dispositions and mutual understandings among the individuals trying to work together on common tasks (307). The Metro study demonstrates that the principle of "soft guidance" by the multiple focal nodes is an accurate description of the way decisions are made and actions are taken (Windhoff-Héntier 1992). Such guidance is the collaborative or network equivalent of direct supervision in hierarchical organizations. The most central administrators in Figure 17.3 (State Human Services), the top-level departmental secretary and the administrators of the divisions and the three operating program heads (b.7, a, a.1, a.2, a.3), are significant for information flow and planning, but they do not dominate the operations of the network. The division head and the program heads are indeed the center of the service operation universe, but there is substantial evidence from previous network research that suggests that a focal hub or hubs between the service planner and deliverers can be critical to network success (Meier and O'Toole 2003). Although the classical approach views networks as being flat, self-organizing, completely interdependent entities (Powell 1990), it has been found that, in practice, a network center is not uncommon. Case studies of community mental health networks, for example, demonstrate that the effectiveness of the networks was based in part on the extent to which the network was coordinated centrally through a core agency (Provan and Milward 1995). The key is that in flexible collaborarchies there may be an operational hub in the government agency, but other nodes have been, and remain, indispensable to a conductive unit's operation.

Another principle of collaborative organizing appears to be legal authority by *transferred governance.* In order to avoid a state of complete anarchy, partnerships, networks, and related collaborative bodies need to have some body of legitimate authority to make agreements and for operational rule making. Given their interorganizational nature, legally based hierarchical executive authority is not a good fit. Rather, these bodies are more comfortable with the transformation of partial authority from the hierarchical organizations they represent to a collegial body that takes in input from "below," seeks consensus, and decides (McGuire 2002). The Metro EC operates very much in this fashion. It has some overlapping representation on the Metro Partnership Group, including the key superintendent (who sends almost 60 percent of the students) but listens on most policy issues to the Metro Partnership Group, which in turn overlaps with the administration, which relies on multiple lateral inputs. In a similar sense, governance in conductive public agencies like USDA/RD Office is based on the ability of key partners with legal authority to shift (minor) portions of their legally based hierarchical authority to the collaborative structure or to those agencies down the line that carry out programs or offer services. This would clearly be the case with regard to their grants and loans to small communities.

Another experience is that conductive organization planning and organizing is problem focused. It normally is flexible and springs from multiparty agreements that are *interactive, discursive,* and *sequential.* The extensive Metro network of contacts, contracts, grants, and partnerships depicted in Figure 17.4 was built piece by piece, not as an externally created, finely tuned machine that was completely ready to operate from the outset with a five-year plan. Conductive agencies meet their challenges as they emerge, almost on a case-by-case, one-by-one basis. For example, an agency like State Human Services could spend from three to four years coming to agreement with the eighty-three rehabilitation agencies regarding reimbursement costs for day and for residential-based services. It will involve information systems, cost models, reporting data, task force studies, multiple meetings, starts and stops, failed vendor contracts, and perhaps legislator inquiries. Clearly, the experience is a protracted process. As needs arise, plans follow to meet a particular challenge. This nonlinear mode appears to be a characteristic of flexible organizing.

In a similar fashion to most conductive organizations, Metro and State Human Services (Figure 17.3) experience relatively *complex operations,* with series upon series of multinetworked interactions and transactions. A succession sequence of problem emergence–problem delay–problem solution at Metro demonstrates how adaptive structures need to anticipate challenges but often delay solving them until they have put together the multiple agreements and resources required for earlier, more pressing concerns. The space issue at Metro is an example. Metro first had to find a space, with the prime cooperation of Battelle and OSU. When the students arrived, Metro had to find learning sites outside of the school. In the third year, the first class was about to enter OSU, and a new space issue arose: where classes would be held besides at OSU because the original site is limited to two hundred students. Like many other networks, small and large problems are solved as they need to be faced, by collaborative agreement, not when they are uncovered (Agranoff 2007). In the case of State Human Services, every time a new Medicaid order or standard is changed, it sends reverberations and new challenges through the agency and its working partners.

In turn, the key network or conductive agency strategic interactions are regularized or patterned into *sets of joint strategies* that are the interorganizational equivalent of interdepartmental agreements or decisions that affect operations in bureaucracies. They are approached as negotiations-adjustments-accommodations-decisions by partners between major participating organizations. It is not unusual in an extended services department like that of State Human Services to engage in a series of agreements between the government agency and interlocutors (NGOs) over payment rates and reimbursement mechanisms, billing forms and formats, required program and fiscal reporting, standards of services quality, professional qualifications of client contact personnel, and performance indicators. These major issues normally become multiparty operating policies but are built one by one between the impacted organizations on a more or less consensus basis, not by mandate, and form one important set of conductive operational "rubrics."

An additional set of key organizational concerns, particularly with purchase-of-services contracting in the State Human Services example, is at the core of interorganizational conductivity: the constant demand for more detailed, articulation-based interoperability (Jenkins 2006, 321). This collaborative management practice is a means of bridging organizations or operations at a more detailed level. It has been defined as "reciprocal communication and accommodation in order to reach interactive operating policy and programming forthcoming. In an externalized services agency, the work of one contractor often must fit with the work of others who are serving the same client. The Metro process of awarding each student credit for work done in the classroom and in the field or laboratory fits this process, as the Metro curriculum coordinator or principal and a school district professional look at records and portfolios and come to agreement on what constitutes the classroom equivalent of a given project. Likewise, the agency in Figure 17.2 (USDA/RD Office)

will have to develop working understandings between its financial and procurement procedures (a) and contractees (b.1) and grantees (b.4) so that external agents follow accepted funding and audit procedures. Interoperability involves considerably more than the standard "bargaining and negotiation," often gratuitously thrown around in the literature on coordination. The process follows a sequence something like this: joint agreement on core principles, interactive planning, reaching key understandings, program articulation routines, reciprocal decision operationalization, and feedback and correction. Interoperability is a quintessential boundary-spanning activity that will draw increasing administrative interest as organizations of the future accelerate their interdependencies (Agranoff and McGuire, in progress).

Moving more externally, any conductive organization that operates outside of traditional government boundaries like the Metro network or State Human Services faces *multiple performance accountability* points. In this case it is to the partners, to external stakeholders in industry and business, to the scientific community, to public agencies, and to the small schools movement and to students and their families (for Metro). Esmark (2007, 283, 287, 293–294) suggests that there are three challenges in network accountability, which appear to be relevant for conductive agency or partner endeavors. First, networks need to be considered as representative forums, to be inclusive in scope and to be concerned with relevant stakeholders outside of the formal membership of the network. Second, networks need to institutionalize procedures of publicly assuming responsibility and giving explanations according to basic standards of communication to the stakeholders or moral constituency outside of the network. Third, in networks, accountability means that recognition must be given internally to different types of mandates or sanctions from participating representative organizations at the same time that they pay attention to nonorganized stakeholders. This is a challenging order for multiorganizational entities, and it makes the performance quotient quite difficult. As Robert Behn (2001, 77) concludes, collaborative operations mean that "the one-bill, one policy, one organization, one accountability holdee principle doesn't work for performance."

Finally, in any situation where a public agency is involved in working with multiple partners, these entities will have to work hard to *build their own joint-venture legitimacy*. As partners rather than bureaus, they will rarely have the kind of "automatic" legislative authorization that modern bureaucracies have experienced to enable their existence. Even with a legal charter, the networked entity will still have to prove its mettle, as various pieces of the "public trust" are contracted out to NGOs, which now also have a role in program development. How a network or collaborative structure grows and evolves into public acceptance is an important question (Human and Provan 2000) that requires considerable study in the future. Maintaining the legitimacy of the Metro network as a recognizable entity, particularly to outsiders, became one mechanism for growth and acceptance. The founders understood that building legitimacy means that internal network participants need to find public value in their membership and continue to provide resources and support (Moore 1995). In the Metro study, a great deal of collaborative capacity was built among the major partners, but the social network analyses and the interviews with teachers and parents reveal a marked gap in the degree of connectivity with the learning partners (Hunter et al. 2008). Metro is now finding a way for these potentially influential entities to become viable participants in the network's processes in order to enhance legitimacy.

## CHALLENGES IN MANAGING CONDUCTIVE AGENCIES

The case is being made for government action that extends beyond the unilateral actions of government officials. They now are called upon to develop more involved external working contacts.

It therefore entails the induced interactive multilateral actions involving NGOs operating *with* public agencies. This involves, as Frederickson (1999, 703) has indicated, changing tasks of administration as jurisdiction and management become increasingly separated. Eleven emergent collaborative management functions for those working in and with conductive agencies appear to be at the core of the public management challenge.

## 1. Executive Leadership in External Mobilization

First and foremost are challenges related to involving people from disparate venues to engage in policy and entrepreneurial leadership. This is actually an internal and an external task. Internally, it is important that collaborative managers receive the proper leadership signals and support, and this is a primary function of the collaborative "champion." Without such top-level support, the internal natural bureaucratic resistances and turf-protection behaviors (of which there are many) can flourish. This champion role also includes support by agency executives, such as department heads. Empowerment is also critical. Leaders must go beyond lip service; they must facilitate an internal atmosphere that generates program-level participation, sharing of information, joint learning, and participative decision making. In many ways this model of empowerment of staff to work outside the agency is a contemporary extension of more traditional executive leadership functions.

Externally, targets involve convincing or working with critically important organizations outside government—the regulated, competing businesses, alternative service deliverers, and advocacy groups—to participate in a collaborative endeavor. This normally requires initial enlistment of a series of top NGO executives, industry and trade associations, and advocacy groups, after which technical and managerial people can be brought into the collaborative enterprise for the detailed negotiations. These tasks are more nontraditional, convincing sets of external parties to enter into new working relationships *with* government (Agranoff 2003; Bryson and Crosby 1992).

## 2. Network Promotion

A related conductive role for the public manager involves the need for public agencies to reinvent themselves by encouraging the creation and flow of information across public agencies and outside of government. Clearly, the existing deep involvement of public managers as alliance managers in generating partnerships, networks, challenge grants, venture capital pools, and contracts-for-services programs, as well as electronic information networks, underscores this role. Partners do not automatically come together, but they can be leveraged. Public managers are in pivotal positions to perform such convening actions. As a result, bureaucrats cannot wait to read about networks of agencies in the latest trade publication or journal or for NGOs to seek them out. They need to look for and include potential stakeholders that can transform human capital into live systems of problem identification and solution (Bryson and Crosby 1992).

## 3. Brokering the Collaborative

Yet another challenge relates to the employment of early government intervention policies. In order to achieve results, the public manager cannot wait for ideas to come forward from outside of government but must discover and create potential opportunities for action, linking scarce public resources with external resources, ideas, and investments. This is the brokering role that not only brings the parties together but makes timely public investments and moves collaborative groups along.

But more is necessary. The public manager cannot sit back and watch these programs develop outside of government, because too much is at stake. Managers need to broker by bringing different actors to the table, activating and facilitating them. This is very different behavior from handing out a grant or a loan or monitoring a contract. Brokering involves a whole set of human capital skills in negotiation and creation of a culture of joint problem solving that values equality, adaptability, discretion, and a focus on results (Agranoff 2003; Bardach 1998; McGuire 2000). This type of team building is not new, but working at it across organizations requires somewhat different considerations than apply in the case of the hierarchical organization (Agranoff and McGuire 2001).

## 4. Mutual Learning Models

Deliberative work under these circumstances involves a different kind of process than consultation or reacting to proposals. It involves growing and learning together. As Forester (1999, 62) suggests, in deliberative work, citizens (in this case participants) integrate the worlds of "is" and "ought" as well as "science" and "ethics" as they learn how to get something done and what ought to be done in new and unique situations. "Connecting governance and dispute resolution, politics and ethics, deliberative practice involves the most intellectually intriguing issues . . . how can we learn not only about technique but about value; how can we change our minds about what is important, change our appreciation of what matters, and, more, change our practical sense about what we can do together too." The administrator in the conductive agency cannot sit back and react but must become a part of this process of looking for and helping respond to concern and need by forging the new and possible.

## 5. Internal and External Organizing

Calibrating the organization to be able to work with external groups, needs, and interests goes well beyond the normal tenets of organizational design, including the standard building of teams (Provan and Kenis 2008). The key is not divisional realignment or more and more teams but opening these functions to organized agency clientele through constant processes that inform the agency's thinking, actions, and relationships through constant knowledge flow, that is, intimate understanding of its external working interlocutors. This can invoke a number of mutual actions, such as continuing work with stakeholders, codeveloped solutions, accepting input on shaping rules, cross-functional integration (e.g., joint production), integration with external agency or external organization operating systems, developing solutions based on externally perceived value, and strategic partnerships (Saint-Onge and Armstrong 2004, 57). Clearly, these practices have become part of the new organizational design, a set of lateral overlays on the enduring hierarchical structure.

## 6. Information Beyond the Walls

The conductive agency administrator will increasingly need to capture the information-based nature of the agency. Deliberation works better when the parties engaged in joint undertakings are better informed. Networks find it hard to settle the most nettlesome problems that they face unless they combine existing information bases into decision-ready knowledge (Agranoff 2007, chapter 7). Information strategies definitely make the quality of deliberation easier, and that is why conductive administrators invest increasing resources of database collections and new information systems,

along with planning and skill building, community leadership, needs analysis, action planning, education, and training, as well as program impact studies.

## 7. Conductive Public-Serving Staff

In these times, knowledge employees are wanted. The conductive organization needs a knowledge-oriented administrator base. As information is converted into knowledge that is transacted and modified through deliberation, the agency needs to capture those invisible assets that reside largely in the minds of humans, requiring less strict supervision and with worker and manager working side by side. The rules of supervision for knowledge workers are different. According to Davenport (2005, 192–201) they entail (1) participation by managers in the work instead of overseeing work; (2) changing from organizing hierarchies to organizing communities; (3) retaining workers rather than hiring and firing them; (4) building knowledge skills rather than manual skills; (5) assessing invisible knowledge achievements instead of evaluating visible job performance; (6) building knowledge-friendly cultures instead of ignoring culture; (7) fending off bureaucracy rather than supporting it; (8) relying on a variety of human resources, wherever they may be located, instead of relying on internal personnel. These principles of human resources management clearly apply to those public agency employees who are working out of the organization with others on joint resolution of issues and problems.

## 8. The Core Function of Building Communities

Building high-quality relationships comes in part through establishing communities of problem solvers. It is common practice for conductive agencies to deliberate through the building of communities of practice and taking advantage of epistemic communities. Communities of practice are self-organizing systems that share the capacity to create and use knowledge through informal learning and mutual engagement (Wenger 2000). Most communities are self-organized and bring in new knowledge bearers when needed, from wherever they can be found. Maintenance of communities of practice requires effort to keep different types of knowledge bearers in, by challenging busy people with solving important public problems and by calling on their experience and know-how in an interdisciplinary manner.

Community can be facilitated by mobilizing a multiagency group of professionals from different disciplines who share common outlooks and similar solution orientations. Haas (1992, 3) suggests that these persons can represent a variety of disciplines and share normative and principled beliefs, which provide a value-based rationale for social action. They also tend to share causal beliefs, notions of validity, and a common policy enterprise. An epistemic community normally produces consensual knowledge. Even in the face of anomalous data, the community may suspend judgment in order to maintain its scientific legitimacy, maintaining for the moment its power resource (Hass 1990, 55). Even though epistemic community members may not constitute the most powerful decision makers, they "are well situated to provide a driving logic for cooperation" (Thomas 2003, 41).

## 9. Knowledge Agencies

Among the new core activities that agencies pursue can be a knowledge strategy. It has been suggested that the conductive organization enhances value by interacting with organized external clientele in collaboration, particularly through communities. A conductive organization can then

capture intangible assets through the exchange of knowledge. According to Saint-Onge and Armstrong (2004, 38), value creation involves the managed interaction among (1) the human capital of the agency, (2) the structural or organizational capabilities, and (3) interacting external agents and partners. All three need to be developed in a knowledge strategy on an integrated basis. Many activities are involved in the process of knowledge management (Davenport and Prusak 2000), a process that entails identifying, extracting, and capturing fluid mixes of framed experiences, values, contextual information, and expert insight that constitute the assets of any undertaking. In the case of public conductive organizations, knowledge is derived on a highly interactive basis and is geared to adding some form of public value (Agranoff 2007, chapters 7 and 8).

Conductive agencies might pursue one or more of many knowledge management activities. Working with organized clientele, they can begin by surveying the universe of data and information among those involved in a project or program. They can also search for external databases of potential internal use. Extant data can then be used to develop "own source" explicit (codified) knowledge, through such means as libraries, map inventories, strategic plans, fact sheets and policy guides, focused studies, surveys, conferences and workshops, electronic bulletin boards, process reviews, long-range plans, models and simulations, and market studies. Although tacit (noncodified) knowledge is harder to deal with, it can be approached through stakeholder consultations, best practices or benchmark exchanges, work groups as "communities of practice," study-project report panels, expert presentations, specialized workshops, (strengths, weaknesses, opportunities, and threats) or SWOT workshops, hands-on technical assistance, community leadership development sessions, forums on "what works," direct agency outreach, "help desks," and public hearings. The agency can then work at the explicit/tacit interface through informal feedback on the myriad of activities it engages, usually through informal postproject assessment. Finally, some of the knowledge needs of partner agencies can be served through formal reports, responses for data requests, supplying modeling and planning data, circulating policy reports, sponsoring in-agency forums and report sessions, providing technical expert linkages, and possibly providing agency-requested studies.

## 10. Conductive Electronic Communication

It follows that agencies need to establish conductive support through electronic communication. It will come as no surprise that all of these knowledge activities are now supported by the use of different types of information and communications technology: e-mail, teleconferencing, Web-based geographic information systems, decision-support software, and the like. These are essential tools since partners are situated in disparate organizational locations. However, because of the collaborative nature of their tasks, they are not a substitute for face-to-face meetings, but a parallel mode of collaborative work. In the same way that organizations seek structured predictability, organized collaborative actions require the use of open-ended processes of coordinating purposeful individuals who can apply their unique skills and experiences to particular problems confronting the collaborative undertaking at hand. They are part of the distributed knowledge systems that are created across boundaries, possessing somewhat fewer constraints or rule-bounded actions. Often at the center of such relationships, the conductive agency needs to foster information and communication technology links along with the more direct community of practice building mentioned above.

## 11. Assessing Conductivity's Value Adding

Public managers should not, as Bardach suggests, be impressed by the idea of collaboration per se, but only if it produces better organizational performance or lower costs than its alternatives

(1998, 17). The rationale for investment in a network or other forms of collaborative management normally entails more than collective public purpose, vaguely understood; it also includes those advantages collaboration can bring to each partner's mission and operations and to the specialists and managers as professionals. Thus, value adding can be accounted for from the perspective of the administrator or specialist, participating organization, network process, and network outcomes. This value adding helps to bridge the gap of difficult-to-measure outcomes by shifting the ground to intermediate ones (Wye 2002, 27).

The value added from network participation for managers and specialists is not well understood. An exception is Thomas's (2003, 41) study of interagency collaboration in biodiversity preservation, which demonstrates the epistemic interactions among program specialists who naturally cooperate. To the professional manager, the interagency process provides for a broadened "expansion of possibilities" in both technical and interactive ways and thus brings self-development benefits. Closely related are benefits to the network participants' home organizations. The literature on networking points to the importance of expanding information and access to expertise of other organizations, pooling and accessing financial and other resources, sharing risks and innovation investments, managing uncertainty, fulfilling the need for flexibility in operation and response time, and accessing other adaptive efficiencies (Alter and Hage 1993; Powell 1990). All of these functions potentially are channeled through critical problem-solving or program-adjustment processes, which bring potential to add value to an organization.

The collaborative process itself provides potential value in both process and tangible ways. From a process standpoint, collective—rather than authority-based—organizing, decision making, and programming prevail but follow group dynamics similar to those of single organizations (Agranoff 2003; McGuire 2002). Managing a collaborative enterprise involves formal or informal benchmarking of joint "steering" of interaction processes that sequence activation, guided mediation, finding strategic consensus, joint problem solving, and the activities of maintenance, implementation, and adjustment (Kickert and Koppenjan 1997, 47–51). These actions contribute to productive collaborative products. Tangible outcomes vary considerably by collaborative undertaking, but specific products of networks include Web sites, service agreements, mutual referrals, joint investment projects, incidents of NGO assistance, loans arranged, grants facilitated, investments leveraged, and so on. Another set of tangible results includes end stages of collaborative processes: adapted policies, new target populations served, joint or collaborative databases, exchanged resources, new program interfaces, mutually adapted technologies, and enhanced interagency knowledge infrastructures (Agranoff and McGuire 2001; Kickert and Koppenjan 1997; O'Toole 1997). Collaborative performance management is thus eminently assessable along four dimensions: professional, organizational, process, and product.

## EXTENDING THE CONDUCTIVE AGENDA

These practices are not part of an idealistic managerial agenda but reflect the real work of public managers in the network era (Agranoff 2007; McGuire 2009; Edelenbos, Klijn, and Steijn 2009; Meier and O'Toole 2003). The public manager is also a network operative. The prior agenda suggests that more needs to be known about the emergent interactivity of public agencies. Most agencies today are involved heavily in both intergovernmental and interorganizational webs of relationships that are a product of the state moving from more of a provider role to one that "enables" a series of social and economic activities (Loughlin 2000).

One core concern is where the boundaries of the state might lie. Hirst (2000) indicates that only government can pull together the various strands because it continues to distribute powers and

responsibilities, remains the focus of political identity, and is the main institution of democratic legitimacy; as a result, other entities view its decisions and commitments as reliable. Nevertheless, government continues to externalize its functions, even such quasi-legal functions as public auditing, child welfare intake and referral, welfare case management, the operation of public roads, prisons, and correctional facilities, and many more. Questions about these activities need to be continually asked, as Berry and Brower (2005, 11) indicate: "We should ask who creates the goals of these activities and how desirable outcomes are identified and disseminated."

If one accepts the idea that the state has not hollowed out (Milward, Provan, and Else 1993) but has shifted its role, we must know more of what the state is doing and how that differs from its prior role of providing direct-services delivery activities. For example, regarding ID/DD in many states, where the running of institutions was the core activity (and budget eater), externalized services have now given way to Medicaid policy and Medicaid program specialists, quality control and community care outcomes specialists, planning and information specialists, facility inspectors, case managers, and contract managers. Other than the thousands of displaced direct-care and first-level middle-management personnel at state institutions, some small number but substantial core of state workers appear to be at work doing different things and are deployed in new units. Moreover, some states (e.g., North Carolina, Ohio) have decentralized the direct services management and oversight functions to local government units or special multicounty units, casting doubtful shadows on privatization. Meanwhile, managers in the NGOs who have departed government now run nonprofit programs that are 90 to 95 percent publicly funded. All of this makes the hollow state seem somewhat less hollow. More must be learned about these nondirect-service public agency roles, who fills them, how staff are educated and trained, what kind of work they do, how are they supervised, and most important, what kind of operational roles they play within networks and in managing conductivity.

Research in these arenas can help to define that important middle ground between government and agent or partner. Although we are able to offer some clues here (see also Smith and Lipsky 1993) about how parties—NGO and government—work interactively, more needs to be known about how public agencies and their NGOs reach important agreements. One documented incident suggests years of protracted interactions, trade-offs, counterproposals, and at-the-table interactive collaborative agreements among network partners who now guide Indiana ID/DD services (IN-ARF 2009). Their long-term aim, to develop a uniform methodology for purchase of services, is an example of the movement in contracting toward some form of interactive process (Van Slyke 2007), but more needs to be known about how programs are shaped between service-delivery agents and government.

Related are the complicated processes of how citizen representatives, scientists and engineers, public agency program administrators, and interest group trade associations sit at the table and solve the most nettlesome of shared power and responsibility policy problems. This, of course is one of the reasons why networks are formed (O'Toole 1997), as are other collaborative bodies (Agranoff and McGuire 2001). Cases exist in the literature that describe such processes (Agranoff 2007; Imperial 2004; McGuire 2009). Generally, they involve some blending of the various legal, political, technical, and financial considerations (Agranoff 1986) as the parties try to fit together a puzzle of interests, constraints, experiences, and knowledge. More needs to be known about how networks of actors sit down to solve problems since so many issues are multisector, multiprogram, and multiagent in nature.

A final knowledge gap is that of understanding the linkages from clients receiving services to the policies and programs that enable these services. This is a particularly acute issue when government contracts client contact and intake functions. In some U.S. states, for example, Texas

and Indiana, attempts have been made to remove intake for welfare payments, that is, assistance under Temporary Assistance for Needy Families (TANF), food stamps, and Medicaid eligibility, from state employee caseworkers in the field and turned over to private information or customer service firms. In other situations the first-step case-management or gate-keeping function has been contracted out to private, for-profit firms. Clients' first contact can be with a telephone call center or a computer terminal, not a person. A lot has been written in local newspapers about various service fallouts in these situations. That is not the issue here. The concern is if one "backward maps" (Elmore 1985) from client-service provider up the line to intermediate (e.g., state government) service principal to policy-enabling bodies (e.g., federal government), what is it doing to program structure? Moreover, whom does the program serve, those in need or those who administer the program? Finally, and most important from a public management standpoint, what have these arrangements done to public programming? Public administration as a field has yet to answer these questions surrounding purchase of direct-services contracting.

## CONCLUSION

More than the public agencies illustrated are conductive. Thousands of city and county governments not only engage in community and economic development activities, but work externally with services-oriented citizen boards, contract for services, and partner with other governments and nongovernmental entities (Agranoff and McGuire 2003). At the state level, most highway construction is by contracting by state transportation agencies, and highway planning is shared with networks of metropolitan planning organizations. State environmental management agencies administer federal legislation through local governments and regulated industries and organizations. At the federal level, more and more agencies, for example, Department of Housing and Urban Development housing programs, Community Development Block Grants, Economic Development Administration, Commerce–Small Business Administration, Health and Human Services (e.g., Medicaid and Older Americans Act), all operate by intergovernmental contract with grant intermediaries at the first stage and beyond, making them equally conductive. In various ways they all have to connectively engage, and in most cases, with emergent forms of deliberative engagement.

Bureaucracy thus continues to play important roles. As functions have been added to it, it has not been diminished so much as changed. Johan Olsen (2006) concludes that bureaucracy is still with us, embedded in democratic-constitutive principles and procedural rationality, coexisting with market and network forms. Bureaucracy faces "different challenges, command[s] different resources and [is] embedded in different political and administrative traditions" (18). Bureaucracy, in this sense, needs to come to grips with externalization; it must adapt to increased operation between markets and networks.

As a result, the field of public administration must pay considerably more attention to the changing external or conductive role of public manager. For the administrator in the conductive agency, it means more than reading the rules and regulations, listening at hearings, engaging in information exchanges, dealing with advocates and adversaries, or reading project reports. It involves working together to create knowledge-based public dialogue and to reach mutually arrived at solutions to problems of mutual concern. Calibration of external information, concerns, and needs is now part of a regularized connectivity through interactive joint problem-resolution processes. Conductive public agencies work primarily with NGO administrators on calibration, knowledge, strategy, and implementation—all collaborative processes. This is the emergent role for the public administrator or program professional in the public agency.

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